Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Text

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 19004 031835Z

14
ACTION EB-07

INFO OCT-01 CIAE-00 COME-00 DODE-00 NRC-05 NSAE-00 USIA-06

TRSE-00 EUR-12 ERDA-05 ISO-00 AGRE-00 MC-02 ACDA-07

/045 W
---------- 114369
R 031458Z DEC 76
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 1732
INFO USDOC WASHDC

LIMITED OFFICIAL USE MOSCOW 19004

EXCON

DEPT PASS USDA/FAS (EULER) AND OFFICE FOR LACIE PROJECT

USDOC FOR BEWT/DOWNEY AND BEWT/OEA

E.O. 11652: N/A
TAGS: ESTC, EEWT, UR
SUBJECT: PROPOSED SALE OF SATELLITE GROUND STATION TO SOVIETS

1. DAVID SHORTT, A BRITISH BUSINESSMAN WHO REPRESENTS STANFORD TECHNOLOGY, INC. (PALO ALTO CALIFORNIA), TOLD COMATT NOVEMBER 27 THAT CONNTRACT NEGOTIATIONS BETWEEN STANDFORD TECHNOLGOY AND THE SOVIET MINISTRY OF AGRICULTURE (CONDUCTED THROUGH THE FTO ELEKTRONORGTEKHNIKA) HAD BEEN COMPLETED FOR SOVIET PURCHASE OF A SATELLITE GROUND STATION TO BE USED IN CON-
JUNCTION WITH LAND-SAT. SHORTT SAID CONTRACT WOULD BE SIGNED THIS WEEK (NOV. 29 - DEC 3) WITH A CONTINGENCY CLAUSE STATING THAT ITS EXECUTION DEPENDS UPON EXPORT LICIENCE APPROVAL FOR ST'S HARDWARE/SOFTWARE PACKAGE. TOTAL VALUE OF DEAL, ACCORDING TO SHORTT, IS JUST UNDER $6 MILLION.

2. WITH SIGNED CONTRACT IN HAND, SHORTT INTENDS TO RETURN TO PALO ALTO, WHERE EXPORT LICENSE DOCUMENTS WILL BE DRAWN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 19004 031835Z

UP, AND THENCE TO WASHINGTON FOR DISCUSSIONS WITH REPRE-

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

SENTATIVES OF EACH AGENCY CONCERNED WITH EXPORT LICENSE
APPLICATIONS. SHORTT MET BRIEFLY WITH DAS DOWNEY THIS
WEEK AND ARRANGED A MEETING IN COMMERCE WITH OEA SOMETIME
IN MID-DECMBER. SHORTT ALSO HOPES TO MEET OFFICIALS IN
DEPARTMENT OF AGRICULTURE, IN PARTICULAR WITH EMBASSY'S
AGRICULTURAL ATTACHE, ALAN TRICK, NOW IN US FOR JOINT US/USSR
AGRICULTURAL AGREEMENT MEETINGS.
SHORTT HAS EULER'S PHONE NUMBER AND WILL
BE CONTACTING LATTER TO ARRANGE MEETING WITH TRICK.)

3. SHORTT SAID THAT SOVIETS HAD BEEN DULY IMPRESSED BY US
FORECASTING OF SOVIET CROP RESULTS BASED ON SATELLITE SUR-
VEILLANCE TECHNIQUES. DURING NEARLY EIGHT MONTHS OF NEGOTIA-
TIONS, HE HAS BECOME CONVINCED THAT SOVIET MINISTRY OF
AGRICULTURE DOES NOT NOW RECEIVE ENOUGH INFORMATION INTERNALLY
OR IN A TIMELY ENOUGH FASHION TO ALLOW ACCURATE CROP FORECASTING
OF KIND NEEDED TO PREDICT SHORTFALLS AND IMPORT REQUIREMENTS.
ALTHOUGH MINISTRY IS AWARE, ACCORDING TO SHORTT, THAT IT CAN
PURCHASE SATELLITE TRACKING DATA FROM THE EROS DATA SYSTEM IN U.S.,
BY TIME EROS REPORTS ARE RECEIVED AND ANALYZED NEARLY THIRTY
DAYS NORMALLY THRNSPIRE RENDERING DATA VIRTUALLY
MEANINGLESS. THUS, SOVIETS FEEL NEED FOR THEIR OWN SATELLITE
TRACKING CAPABILITIES AND HOPE TO BEGIN WITH THIS FIRST
STATION WHICH SHORTT SAID IT PLANNED TO BE LOCATED IN SOUTHERN
PART OF USSR, SOMEWHERE EAST OF URALS. SHORTT MAINTAINS
THAT EVENTUALLY MINISTRY OF AGRICULTURE WANTS TO INSTALL
SEVEN PROCESSING STATIONS IN TOTAL, ALTHOUGH NOT ALL WILL
BE EQUIPPED WITH SATELLITE TRACKING CAPABILITIES.

4. AS REGARDS HARDWARE, ST UTILIZES COMPONENTS FROM OTHER
EQUIPMENT MANUFACTURERS, MOST NOTABLY HEWLETT PACKARD
(3000 COMPUTER) TO WHICH ST ATTACHES ITS OWN PROCESSOR.
THE ST PROCESSOR COMES IN TWO VERSIONS: (A) A RAPID
CLASSIFIER WHICH CAN PROCESS RAW DATA IN TWELVE MINUTES, AND
(B) A SLOW CLASSIFIER, KNOWN AS MODEL 70 PROCESSOR. ST INTENDS
TO SELL LATTER, SLOWER VERSION TO SOVIETS.

5. SHORTT SAID NEGOTIATIONS ARE ALSO GOING FORWARD ON A SECOND
CONTRACT WITH HYDROMET FOR AN ST PROCESSING SYSTEM FOR WEATHER
DATA TRANSMITTED FROM A SOVIET WEATHER SATELLITE. VALUE OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MOSCOW 19004 031835Z

THIS CONTRACT WOULD BE APPROXIMATELY $1 MILLION. DELIVERY ON
BOTH CONTRACTS HAS BEEN TENTATIVELY SET FOR OCTOBER 1977,
CONTINGENT ON EXPORT LICENSE APPROVAL. SHORTT STATED THAT ST
HOPES TO INTRODUCE ITS GROUND STATION PROCESSING SYSTEM INTO
THE OTHER COMECON COUNTRIES ONCE SOVIET DEAL IS CONSUMATED.
(COMMENT: IN ARGUING ITS CASE ST WILL TRY TO MAKE POINT THAT
IT IS IN US AND WESTERN INTEREST THAT SOVIETS LEARN MORE ABOUT
THEIR OWN AGRICULTURAL CAPABILITIES SO THAT SHORTFALLS OF

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

MAGNITUDE WHICH OCCURRED IN 1975 DO NOT CATCH THEM (AND WORLD)
BY SURPRISE AGAIN.).

6. THIS MESSAGE BY WAY OF BACKGROUND ONLY, SINCE SHORTT
WILL BE REQUESTING APPOINTMENTS WITH INDIVIDUAL WASHINGTON
AGENCIES THROUGH ST'S PALO ALTO OFFICE IN COMING WEEKS.
MATLOCK

LIMITED OFFICIAL USE

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, STRATEGIC TRADE CONTROLS, TRACKING STATIONS, SATELLITES, EXPORT LICENSES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MOSCOW19004
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760449-0180
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761275/aaaacmzo.tel
Line Count: 122
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAY 2004 by ShawDG>; APPROVED <08 SEP 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED SALE OF SATELLITE GROUND STATION TO SOVIETS
TAGS: ESTC, EEWT, UR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006